

South Carolina Department of
Natural Resources

February 6, 2009

Mr. C. Earl Hunter, Commissioner
SC Department of Health and Environmental Control
2600 Bull Street
Columbia, SC 29201

REFERENCE: Santee Cooper Proposed Pee Dee Electric Generation Station

Dear Mr. Hunter,

I am writing you to formally state the position of the Department of Natural Resources (DNR) regarding the Santee Cooper (SC Public Service Authority) proposed Pee Dee Electric Generation Station. DNR is opposed to the permitting, construction and operation of this facility. This position is based on a careful and measured examination of the likely environmental impacts associated with the operation of a coal fired generation facility of this description. As Director of DNR I am obligated and proud to stand for the protection of natural resources. I also am required to speak for South Carolinians who depend on and enjoy natural resources to augment a quality of life. This quality of life is of paramount importance, and it must be preserved on our watch for the benefit of the people of South Carolina as well as for future generations.

It is understood the Department of Health and Environmental Control (DHEC) Board will meet on February 12, 2009 to consider the appeal of the DHEC Air Quality Certification (AQC) placed on public notice by DHEC on December 16, 2008. I am requesting this correspondence be made an official part of the public record at the scheduled DHEC Board meeting and appeal hearing.

Santee Cooper has indicated its intent to construct and operate the Pee Dee Electric Generation Station at their site in Florence County. As planned, it would result in a 2-unit, coal fired steam generation facility providing base load electric power to Santee Cooper customers.

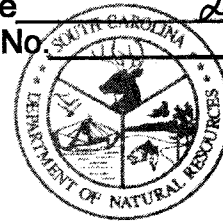
Santee Cooper has applied for environmental permits required for the construction and operation of the proposed facility. Water permits required from the federal government under the Clean Water Act and § 10 of the Rivers and Harbors Act will not be issued pending a public review pursuant to the National Environmental Policy Act (NEPA). The NEPA analysis will examine all environmental, economic and societal issues including, but not limited to: the proposed project purpose and need, a full-scale alternatives analysis, an examination of environmental consequences of each alternative, identification of the least environmentally damaging alternative, selection of a preferred alternative, and identify the appropriate mitigation needed for impacts that cannot be avoided. DNR has participated in the scoping process leading to development of an Environmental Impact Statement (EIS). DNR staff and others have identified

Senate Energy & Telecomm. Comm.

Exhibit No. 11

Date 2-17-2009

Bill No. SB 387



John E. Frampton
Director

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have not yielded to DNR recommendations to seek alternatives for solid waste and ash disposal. The environmental conundrum of ash production and storage is that the new, cleaner boiler technology proposed by Santee Cooper produces a greater volume of toxic ash. Recently an environmental disaster of gigantic proportions on a Tennessee Valley Project underscored the importance of not permitting ash disposal ponds adjacent to a river. The residue of millions of tons of coal burning at Kingston Fossil power plant on the Watts Bar Reservoir in Tennessee burst the bounds of the pond in which it was contained, burying over 400 acres of land in up to 6 ft of sludge. Much of this ash flowed unimpeded into the reservoir and thence into downstream reaches. Immediate impacts of the spill included a significant fish kill, contamination of water supply, and elevation of levels of lead, thallium, mercury and arsenic in the water supply. Subsequent testing showed significantly elevated levels of toxic metals (including arsenic, copper, barium, cadmium, chromium, lead, mercury, nickel, and thallium) in samples of slurry and water from the Clinch and Emory rivers. The final environmental costs of this spill will not be known fully for decades, and the monetary costs of clean-up and monitoring reportedly could reach into the billions of dollars. This risk cannot be tolerated to occur in South Carolina.

In summary, DNR is opposed to the approval of any environmental permits for the currently proposed Santee Cooper Pee Dee Electric Generation Station. Please do not hesitate to contact me at your convenience if you wish to discuss the DNR position on these matters. Thank you in advance for making certain this correspondence becomes part of the official DHEC public record.

Sincerely,



John E. Frampton

Director, South Carolina Department of Natural Resources

c: Lisa Longshore, Clerk of the DHEC Board
Bob King, DHEC
Myra Reece, DHEC
Rhonda Thompson, DHEC
Lonnie L. Carter, Santee Cooper
Bill McCall, Jr., Santee Cooper
R.M. Singletary, III, Santee Cooper
Don Winslow, DNR
Buford Mabry, DNR
Bob Perry, DNR
Derrick Meggie, DNR
Robert Boyles, DNR
Breck Carmichael, DNR
Ken Rentiers, DNR

Nowakowski, Sonja

From: Chuck Magraw [c.magraw@bresnan.net]
Sent: Friday, February 13, 2009 11:53 AM
To: Nowakowski, Sonja
Subject: as requested
Attachments: 2009-02-06 DNR to DHEC on Pee Dee Station.pdf

Sonja, here is one of the sources of the information I was relaying to the committee yesterday. All of these coal plant events have been reported on elsewhere; the Sun story just puts them all in one place. The link to the actual story is below the pasted in article. I don't have the link to the other article but you could find it easily enough. I'm also attaching a pdf of a South Carolina DNR letter on the plant that more clearly states the state's position.

ENERGY:

Second thoughts on coal plants are contagious, it seems

By *Phoebe Sweet*

Wed, Feb 11, 2009 (2 a.m.)

The announcement may have proved the environmental version of the domino theory — when one coal plant falls, the next isn't far behind.

NV Energy's announcement Monday that it was shelving plans for a large, coal-fired power plant near Ely for at least a decade came as no surprise to those who have been tracking the industry.

In recent months, plans for similar projects have faced new roadblocks that went beyond the typical opposition from environmentalists and not-in-my-back-yard complaints. Some of those plants fell altogether.

Some blamed environmental concerns on the part of regulators and legislators. Others were toppled by the economic risk that comes with political and regulatory uncertainties over carbon legislation.

The U.S. Environmental Protection Agency's appeals board rejected portions of emissions permits for coal plants in Utah and New Mexico in November and January.

Then, in late January, the Air Force ditched plans for a liquid coal plant in Montana, and on Jan. 30, Arizona Public Service, the state's major utility, filed a long-range plan that emphasized renewables and said the company would build no new coal plants.

On Feb. 1, a Montana utility announced it would scrap plans for a coal-fired plant in favor of wind and natural gas.

Two days later Georgia regulators proposed a bill that would put a hold on new coal plants and prevent existing ones from burning coal mined by destroying mountaintops. That same day Michigan Gov. Jennifer Granholm said in her State of the State address that she would send all developers of new coal plants back to the drawing board to consider clean alternatives first, and Pennsylvania regulators rejected a waste coal plant proposed there.

On Feb. 6, Wisconsin Gov. Jim Doyle announced that a power plant operated by the University of Wisconsin

power plant along the Great Pee Dee River.

The governor announced his position during a press conference this afternoon in his office, joining a growing number of Republican and Democratic governors who have come out against coal-fired power plants.

Sanford said he decided to oppose the plant because of the increasing costs of coal, the eroding economy and the Obama administration's stance on placing controls on carbon dioxide emissions. Coal plants are the largest source of CO₂, the primary greenhouse gas.

Sanford, who has been conspicuously quiet about the Santee Cooper issue, said that while he's against the coal plant, people have to be "for something." He said he strongly favors moves to increase the state's nuclear power generation.

"We applaud Governor Sanford's bold decision to oppose this plant," stated Sierra Club Conservation Chair John Hartz. "Like governors from all over the country, Governor Sanford recognizes that this plant would hurt our state's economy even as it threatens our health."

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